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Sweden

Fresh Deciduous Fruit

Annual

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Report Highlights:

U.S. apple imports by Sweden continued to decrease in 2002, and the U.S. market share in Sweden was less than one percent. Imports of U.S. pears decreased from 3,817 metric tons in 2001 to 2,872 metric tons. Constraints to exports of U.S. apples and pears to Sweden include stiff competition from EU suppliers and the strong dollar rate in 2002. However, the considerably lower-valued dollar will offer better opportunities for U.S. fruits in 2003. Also, due to the growing interest in organic fruits, the large retailers are looking for certified organic suppliers.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

This report covers apples and pears. With commercial apple and pear production inadequate to cover domestic demand, Sweden is traditionally a large importer most of the year. Imports of these fruits account for approximately 60 percent of domestic consumption. In 2002, U.S. apple imports amounted to 507 metric tons, compared to 555 metric tons in 2001. U.S. pear imports decreased from 3,817 metric tons in 2001 to 2,872 metric tons. The strength of the dollar vis-a-vis the Swedish krona in 2002, and the supply of fruit sourced from EU member states during the period when U.S. apples are exported, are the main factors affecting the market and U.S. trade.

Among the European apple suppliers, France and Italy present the strongest competition. In the pear market, Belgium, Italy and Argentina are the strongest competitors in Sweden. Although statistically Netherlands appears as one of the largest exporters of apples and pears to Sweden, most of this trade represents fruit sourced from third countries. When the European season is over, imported apples and pears are sourced from southern hemisphere suppliers such as Argentina, Chile, New Zealand and Brazil.

The drought in Europe did not affect domestic apple and pear production. The 2003 domestic commercial apple crop is estimated at 20,000 metric tons, which is about 15 percent more than the 2002 crop. Domestic pear production in 2003 is estimated at 935 metric tons, compared to 1,700 metric tons in 2002. The extremely low pear crop is due to other reasons, such as frost and insects. Imports from the U.S. will continue to depend on the European crop and the dollar/krona rate. The considerably lower-valued dollar will offer better opportunities for U.S. fruits in 2003.

On average, the Swedish annual per capita consumption of commercially produced apples and pears is estimated at 13-16 kg. The country's total annual consumption of commercially grown apples and pears amounts to about 130,000 tons. In addition, an estimated 30,000-40,000 tons of home produce is consumed.

Exchanges rates used in this report:

Average 2001: 1 USD = SEK 10.33

Average 2002: 1 USD = SEK 9.72

Production

Around 80 percent of the commercial fruit crop area is cultivated according to Integrated Production (IP) methods which aim to minimize the risk to the environment and health. As of 1999, only IP fruit qualifies for the "SVENSKODLAT" (grown in Sweden) marketing label.

Apple Production

Apples are, by far, the most predominant fruit grown in Sweden. However, Sweden accounts for only 0.3 percent of the total EU apple production. The only other deciduous fruits grown commercially are pears, plums and cherries.

The commercial apple crop in 2003 is estimated at 20,000 tons, up 3,000 tons from 2002. Where competitor countries, such as France and Italy, have been suffering from the drought this summer, Sweden had favorable weather conditions with a perfect mix of rain and sunshine. This is also the reason why the quality of this year's crop is extremely high.

The most common varieties, Ingrid Marie and Aroma, account for about 50 percent of the commercial production. In the 1980's, Swedish producers grew about 250 varieties, whereas today only about 15 varieties are grown. During the past ten years, the commercial crop area has decreased by 400 hectares, and the number of apple farmers has decreased by 25 percent. In spite of these developments, the total crop size has increased due to improved yields. Most of the plantings are irrigated. The best areas for fruit production are situated in the south of Sweden.

There are no official estimates of home orchard apple production. Based on previous years' calculations, the non-commercial harvest ranges between 30,000 to 40,000 metric tons. FAS/S has estimated the 2003 year crop at about 30,000 metric tons.

Pear Production

Even in normal years, commercial pear production is very small in Sweden. Low yields often follow after a year with good yields. In 2003, production is estimated at 935 metric tons, which is 45 percent less than in 2002. Frost and insects are contributing factors to this drop. Five varieties make up 75 percent of the pear crop. These are: Conference, Herzogin Elsa, Clara Frijs, Alexander Lucas and Pierre Cornielle. The non-commercial harvest is unofficially estimated at 7,000 metric tons.

Consumption

The annual per capita consumption in Sweden of commercially grown apples and pears averages between 13 and 16 kg. Total consumption is estimated at about 130,000 metric tons. In addition, an estimated 30,000 to 40,000 metric tons of home orchard production is consumed. Home orchard production provides the greatest competition to the domestic commercial production.

By way of comparison, consumption of citrus fruits amounts to 13 kg per capita and year. Swedes and Finns are ranked among the largest banana consumers in the world with an annual consumption of approximately 20 kg per capita. An estimated 5,000 metric tons of domestic cider and apple wine is produced in Sweden, but production is mainly based on imported concentrate and pulp.

The most common apple varieties in Swedish stores are Golden Delicious, Red Delicious, Ingrid Marie, and Granny Smith. New varieties, such as Royal Gala, Pink Lady and Fuji, are becoming more popular in this market at the expense of Red Delicious. Common pear varieties are Anjou and Conference. However, Anjou pears have decreased in popularity, especially among the younger consumers who seem to prefer "harder" varieties.

Trade

Imports of apples mainly take place in the November through March period, at time when southern hemisphere fresh crops come on the market. Total imports in 2002, amounted to 80,502 tons, compared to 79,023 tons in 2001. Imports from the U.S. have been declining during the past few years, reflecting the U.S. dollar's appreciation against the Swedish krona. In 2002, a total of 507 metric tons of apples (down 48 metric tons from 2001) were imported from the U.S., or below one percent of total imports (compared to 4.2% in 1999). During the past few years, the EU market has been pressured by overproduction and consequently extremely low prices. However, in 2002, the apple production in the EU is expected to be down significantly due to this summer's heat wave.

As previously mentioned, European apples, especially French and Italian, provide the strongest competition. In 2002, about 30 percent of total apple imports by Sweden originated from France, and about 20 percent from Italy. Common imported varieties are Granny Smith, Golden Delicious, Red Delicious and Gala as well as quality varieties such as Royal Gala and Pink Lady. Total imports of pears by Sweden in 2002 amounted to 25,813 metric tons, down 9 percent from the year before. Imports from the U.S. decreased from 3,817 metric tons in 2001 to 2,872 metric tons in 2002. Belgium, Italy and Argentina are the main competitors to the U.S.

Policy

EU policies stipulated in EU directive 2200/96, which aim to strengthen the sector by supporting processing and marketing, are applied in Sweden. Producer organizations can apply for program support of an amount of up to 4.1 percent of their sales-- provided that these organizations match the funding. The national limit is 2.5 percent of the total turnover of all the growers' associations.

Although support for general apple/pear production is not offered, support of SEK 7,500 per hectare (USD 423/acre) is available for organic fruit growers. This environmental support has been little used by Swedish fruit growers. The government has set a goal for 20 percent of total crop area for all types of products to be put into organic production. In 2002, less than five percent of the Swedish orchards were certified organic. This certification is done by the non-government Swedish regulatory authority KRAV, a member of the International Federation of Organic Agriculture Movements (IFOAM).

Marketing

In Sweden, three retail groups, ICA, Coop and Axfood control about 80 percent of the retail market. ICA is supplied by its own distributor, ICA Frukt & Gront and Coop and Axfood mainly use SABA Frukt & Gront as their supplier. For reasons outlined above, the market prospects for U.S. apples in Sweden have been limited. Duty-free imports from fellow EU member states, the EU's trade barriers against imports from third countries, and logistical advantages for EU countries have made the competitive environment difficult for U.S. suppliers.

Opportunities for U.S. suppliers include promoting niche products such as large, high in color and high quality Red Delicious as well as new interesting varieties. Although the drought in Europe did not seem to affect Swedish importers' ability to source summer season fruits from other European countries, it may generate opportunities for U.S. fruits later in the year. Also, the considerably lower-valued dollar should help.

The market for organic fruits in Sweden has improved substantially during the past five years. Swedish consumers are becoming increasingly conscious of environmental and health concerns in their choice of food. Distributors and retailers try to achieve marketing advantages by catering to these concerns. The increased demand for organic fruits in Sweden is in line with developments in the rest of Europe. The supply within Europe is not enough to cover demand, and Argentina, Chile and New Zealand have increased their exports of organic fruits to Europe. The Nordic countries, together with Germany and the United Kingdom, are the largest importers of organic apples and pears. The organically produced varieties that are grown/consumed are largely the same as the conventional varieties.

Statistical Section

PSD - Fresh Apples

PSD Table						
Country	Sweden					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	07/2001		07/2002		07/2003	
Area Planted	1418	1418	1418	1418	0	1350
Area Harvested	1418	1418	1418	1418	0	1350
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	19903	19903	17000	17000	0	20000
Non-Comm. Production	43200	43200	37000	37000	0	30000
TOTAL Production	63103	63103	54000	54000	0	50000
TOTAL Imports	79349	79023	80000	80500	0	81000
TOTAL SUPPLY	142452	142126	134000	134500	0	131000
Domestic Fresh Consump	136194	135868	127900	128609	0	125000
Exports, Fresh Only	1258	1258	1100	891	0	1000
For Processing	5000	5000	5000	5000	0	5000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	142452	142126	134000	134500	0	131000

Import Matrix - Fresh Apples

Import Trade Matrix			
Country	Sweden		
Commodity	Fresh Apples		
Time period	CY	Units:	Metric Tons
Imports for:	2001		2002
U.S.	555	U.S.	507
Others		Others	
France	31,860	France	26,870
Italy	10,266	Italy	16,246
Netherlands	12,545	Netherlands	14,142
Germany	6,898	Germany	5,657
Argentina	4,161	Argentina	4,474
Belgium	2,860	Belgium	3,190
Spain	2778	Brazil	2,935
Chile	2,245	Austria	1,931
Denmark	1,694	Chile	1,623
Austria	1,431	Denmark	1,211
Total for Others	76738		78279
Others not Listed	1730		1716
Grand Total	79023		80502

Export Matrix - Fresh Apples

Export Trade Matrix			
Country	Sweden		
Commodity	Fresh Apples		
Time period	CY	Units:	Metric Tons
Exports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Norway	555	Norway	304
Finland	273	Finland	293
Netherlands	215	Denmark	210
Austria	178	Netherlands	84
Denmark	34		
Estonia	3		
Total for Others	1258		891
Others not Listed	0		0
Grand Total	1258		891

Prices Table - Fresh Apples

Prices Table			
Country	Sweden		
Commodity	Fresh Apples		
Prices in	SEK	per uom	kilogram
Year	2001	2002	% Change
Dec	6.08	6.55	7.73%
Exchange Rate	8.137	Local currency/US \$	

PSD - Fresh Pears

PSD Table						
Country	Sweden					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	135	135	150	150	0	150
Area Harvested	135	135	150	150	0	150
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	1298	1298	1700	1700	0	935
Non-Comm. Production	10800	10800	14000	12000	0	7000
TOTAL Production	12098	12098	15700	13700	0	7935
TOTAL Imports	28317	28236	30000	25813	0	28000
TOTAL SUPPLY	40415	40334	45700	39513	0	35935
Domestic Fresh Consump	40011	39930	45400	38821	0	35235
Exports, Fresh Only	404	404	300	692	0	700
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	40415	40334	45700	39513	0	35935

Import Matrix - Fresh Pears

Import Trade Matrix			
Country	Sweden		
Commodity	Fresh Pears		
Time period	CY	Units:	Metric Tons
Imports for:	2001		2002
U.S.	3817	U.S.	2872
Others		Others	
Netherlands	8,258	Netherlands	7687
Italy	3,662	Belgium	4315
Belgium	3,537	Italy	3918
Argentina	2,450	Argentina	2653
France	2,286	France	1948
Spain	1736	Chile	1103
Chile	1288	Spain	678
Germany	685	Germany	215
China	128	China	193
Denmark	102	Turkey	112
Total for Others	24132		22822
Others not Listed	287		119
Grand Total	28236		25813

Export Matrix - Fresh Pears

Export Trade Matrix			
Country	Sweden		
Commodity	Fresh Pears		
Time period	CY	Units:	Metric Tons
Exports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Norway	250	Norway	419
Netherlands	93	Netherlands	101
Finland	32	Finland	56
Denmark	15	Estonia	44
Germany	13	France	29
		Belgium	24
		Denmark	19
Total for Others	403		692
Others not Listed	0		0
Grand Total	403		692

Price Table - Fresh Pears

Prices Table			
Country	Sweden		
Commodity	Fresh Pears		
Prices in	SEK	per uom	kilogram
Year	2001	2002	% Change
Dec	6.73	7.18	6.69%
Exchange Rate	8.137	Local currency/US \$	